

TAB 5

1/30/02

Summary of recent problems at the following stores:

EXHIBIT No. 4 (First Two Pages)
Deposition of Patrick McKeown
November 8, 2005

608

Beginning and Ending Merchandise Inventory figures having discrepancies :

\$1000 from 11/12/01's ending figure and 11/13/01's beginning figure
\$500 from 12/1/01's ending figure and 12/2/01's beginning figure ✓
\$1000 from 12/10/01's ending figure and 12/11/01's beginning figure

We have been monitoring all stores for this since 12/16/01 for any discrepancies....as of 1/27/02 there have been no further discrepancies at any store except 608's ending inventory for 12/25/01 and beginning inventory for 12/26/01 ...were missing and reset from a \$10M figure to \$5K....showed this to Pat at the timelooks like a mistake.

Money orders were researched to see if there were any suspicious ones for the above periods. When the money order receipts that come in the bag weekly were researched they were missing for the specific days or the weeks' receipts were missing entirely. We ordered copies of all \$500 money orders cut and paid during that period, but only one looked suspicious....it was serial # 40023592631790 which had a payee of NOT INTENDED FOR PURPOSE...looks like it was signed by Dori....there is a CCBT endorsement on the backlooks like our account number ...tho it's obscured...so it was probably just deposited along with the rest of the days deposit.

Deposits that are short at the bank from the EOD Summary deposit figure:

On 12/4/01, the EOD summary shows based on sales a deposit figure of \$5035 , yet the CCBT transaction sheet shows that only \$4735, short \$300 ...I notified Mike on 12/10/01, he called bank and they said they'd make an adjustment, but as of 1/27/02 I do not see any adjustment made for this.

On 1/9/02, the EOD summary shows based on sales a deposit figure of \$3680..yet the CCBT transaction sheet shows that only \$2680 was deposited, short \$1,000...as of 1/29/02...no adjustments have been made by the bank. ✓

On 1/21/02, the EOD summary shows based on sales a deposit figure of \$2735.95..yet the CCBT transaction sheet shows that only \$2235.95 was deposited, short \$500...as of 1/29/02...no adjustments have been made by the bank.

Miscellaneous payouts without any detailed documentation:

On 10/29/01 there was a miscellaneous payout of \$500 that both Karen and Chris searched for the receipts in the weekly store bag contents, but could not find.

On 1/14/02 there was a \$576 miscellaneous payout with no receipt turned in...Karen asked Mike about it and was told that it probably was a lottery payout for the next day, due to the fact that the lottery payouts looked low on the following day. The lottery receipts were pulled from those two days (1/14 and 1/15) and the figures that were on the report for lottery payouts were supported by the lottery detail....so there is no answer for the \$576 miscellaneous payout...in order to post the sales entry into Dynamics, the \$576 was put in cash over short.